

Message Text

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71

ACTION L-03

INFO OCT-01 AF-06 ISO-00 TRSE-00 EB-07 ABF-01 CIAE-00

INR-07 NSAE-00 COME-00 FCSC-01 OMB-01 SS-15 NSC-05

FS-01 SP-02 IO-11 OPIC-03 XMB-02 /066 W

----- 123095

R 041155Z MAR 76

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC 0899

INFO AMEMBASSY NAIROBI

LIMITED OFFICIAL USE DAR ES SALAAM 0774

E.O.11652: N/A

TAGS: EINV, ETRD, TZ

SUBJECT: COMPENSATION FOR EXPROPRIATED US PROPERTY: CONVERTIBILITY
PROBLEM

REF: STATE 50544

1. EMBASSY APPRECIATES REFTEL EXPLANATION OF DEPT'S CONCERNS
RE OUR SUGGESTION FOR CONVERTIBILITY OF LOCAL CURRENCY COMPENSA-
TION PAYMENTS. WHILE WE HAD ANTICIPATED AND CONSIDERED SOME
OF THESE CONCERNS, FULL DISCUSSION IN REFTEL WAS HELPFUL IN PLACING
ISSUE IN BROADER CONTEXT.

2. EMBASSY ALSO APPRECIATES INVITATION TO COMMENT FURTHER. WE
STILL THINK USG COULD PLAY ROLE IN CONVERTIBILITY PROBLEM BOTH IN
TANZANIAN AND ELSEWHERE BASED ON FOLLOWING CONSIDERATIONS:

A. WE THINK IT POSSIBLE TO DIFFERENTIATE BETWEEN "HARDSHIP CASES"
WHERE PROMPT PAYMENT VITAL TO WELFARE OF AN INDIVIDUAL AND THOSE
CASES INVOLVING MULTINATIONAL CORPORATIONS. USG CLEARLY HAS
PRECEDENT AND COULD ESTABLISH GUIDELINES FOR SUCH DISTINCTIONS
AS HAS BEEN DONE FOR EXAMPLE IN REGARD REPATRIATION OF
"DESTITUTE" AMERICANS.

B. "HARDSHIP" CASES USUALLY INVOLVE SMALLER MORE MANAGEABLE
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SUMS. IN ANY EVENT, AN EMBASSY FACED WITH CONVERTIBILITY

REQUESTS GREATER THAN ITS NEED OVER A REASONABLE TIME FOR LOCAL CURRENCY COULD OFFER OPTION OF PHASED CONVERSION. INDIVIDUAL COULD THEN HAVE CHOICE OF ATTEMPTING OBTAIN LUMP SUM PAYMENT IN HARD CURRENCY FROM LOCAL GOVERNMENT OR PHASED (E.G. , 3 YEAR PERIOD) CONVERSION BY EMBASSY.

3. WOULD WELCOME DEPT'S REACTION TO ABOVE.
SPAIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMPENSATION, NATIONALIZATION, CONVERTIBLE FOREIGN EXCHANGE, GOVERNMENT DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760083-0284
From: DAR ES SALAAM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760396/aaaadgpp.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION L
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Margaret P. Grafeld
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Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COMPENSATION FOR EXPROPRIATED US PROPERTY: CONVERTIBILITY PROBLEM
TAGS: EINV, ETRD, TZ, US
To: STATE
Type: TE
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